

☐ SECRET

Declass Review by NGA

☒ CONFIDENTIAL 10197☐ UNCLASSIFIED

CONTRACT INSPECTION REPORT

TO:

DATE

6 January 1969

INSPECTION REPORT NO. (If final, so state)

10

ESTIMATED COMPLETION DATE

February 28, 1969

NAME OF CONTRACTOR

TYPE OF COMMODITY OR SERVICE

Automatic Viewgraph Generator

THE CONTRACTOR IS ON SCHEDULE

☐ YES☒ NO

PER CENT OF WORK COMPLETED - 75%

PER CENT OF FUNDS EXPENDED - 90%

THE CONTRACTOR WILL PROBABLY REMAIN WITHIN ALLOCATED FUNDS ☒ YES ☐ NO IF ANSWER IS "NO" ADVISE RECOMMENDATION AND/OR ACTION OF SPONSORING OFFICE, ON REVERSE HEREOF. IF KNOWN, INDICATE MAGNITUDE OF ADDITIONAL FUNDS INVOLVED.

HAS AN INTERIM REPORT, FINAL REPORT, PROTOTYPE, OR OTHER END ITEM BEEN RECEIVED FROM THE CONTRACTOR DURING THE PERIOD? ☐ YES ☒ NO (If yes, give details on reverse side.)

HAS GOVERNMENT-OWNED PROPERTY BEEN DELIVERED TO CONTRACTOR DURING THIS PERIOD? ☐ YES ☒ NO (If yes, indicate items, quantity, and cost on reverse side.)

INCENTIVES

IS THIS AN INCENTIVE CONTRACT
IF YES, CHECK TYPE

☒ YES☐ NO☒ COST☐ AWARD FEE☐ PERFORMANCE☐ DELIVERY

NOTE:
USE REVERSE SIDE FOR COMMENTS.
FINAL REPORT MUST CONTAIN INCENTIVE EVALUATION.

OVERALL PERFORMANCE OF CONTRACTOR

1. ☐ OUTSTANDING4. ☐ ABOVE AVERAGE7. ☒ UNSATISFACTORY2. ☐ EXCELLENT5. ☐ AVERAGE3. ☐ VERY GOOD6. ☐ MINIMUM ACCEPTABLE

IF OVERALL PERFORMANCE OF CONTRACTOR IS UNSATISFACTORY OR MINIMUM ACCEPTABLE INDICATE REASONS ON REVERSE SIDE.

RECOMMENDED ACTION

☐ CONTINUE AS PROGRAMMED☐ WITHHOLD PAYMENT PENDING SATISFACTORY PERFORMANCE☐ CLOSE OUT☒ OTHER (Specify)

IF THIS IS A FINAL REPORT PUT COMMENTS ON REVERSE IN NARRATIVE FORM ON CONTRACTOR'S PERFORMANCE AND CERTIFY THAT ALL DELIVERABLE ITEMS UNDER THE CONTRACT HAVE BEEN RECEIVED. THESE INCLUDE, WHERE APPLICABLE, THE FOLLOWING:

ITEM	REC'D	DOES NOT APPLY	ITEM	REC'D	DOES NOT APPLY
PROTOTYPES			MANUALS		
DRAWINGS AND SPECIFICATIONS			FINAL REPORT		
PRODUCTION AND/OR OTHER END ITEMS			SPECIAL TOOLING		
			OTHER GOVERNMENT PROPERTY		

DATE OF LAST CONTACT WITH CONTRACTOR

December 1968

SIGNATURE OF INSPECTOR

DIVISION

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Approved For Release 2005/06/06 : CIA-RDP78B04770A002800010017-4

NARRATIVE REPORT

☒ INTERIM☐ FINAL

Effective September 25, 1968, the Contractor was authorized to resume work on this contract. During an inspection trip to [] on 15 October, the Contractor had not obtained the personnel needed to begin work and thus did not actually resume work until late October.

During an inspection trip on the 26th of November, [] warned of the possibility of an additional overrun on this contract. However, [] felt that an overrun would probably not occur. When I relayed this information to the ATIC Contracting Officer, he asked for additional information on the scope of the possible overrun. He was informed that it might be as high as []. He immediately informed [] to stop work and asked for a written confirmation of the overrun.

[] on 26 November 1968, sent a letter to the Government stating that it was estimated that total expenditures would not exceed the estimated cost of the approved revised cost of []. It is interesting to note that the date of this letter is the same date that I was verbally informed of the possibility of an overrun.

This new, proposed overrun again indicates [] complete lack of ability to forecast costs. This is the reason they have been rated unsatisfactorily in performance. The equipment to be delivered under this contract was a modification of several existing machines. It was to be an extremely simple device with very little development work necessary. The original contract required the delivery of two Viewgraph Generators at a cost of []. The total cost for one Generator with the latest proposed overrun would be [] or about 450 percent higher than the original cost per Generator.

When written confirmation of the overrun is received from [] this contract will probably be terminated if the overrun is as high as predicted. A final report will then be prepared.